

AMENDED IN ASSEMBLY APRIL 22, 2003

CALIFORNIA LEGISLATURE—2003–04 REGULAR SESSION

ASSEMBLY BILL

No. 1163

Introduced by Assembly Member Frommer

February 21, 2003

~~An act to add Section 12693.685 to the Insurance Code, and to add Section 14005.22 to the Welfare and Institutions Code, relating to health coverage. An act to amend Sections 12693.98 and 12693.981 of, and to add Sections 12693.455, 12693.686, 12693.741, 12693.742, 12693.983, and 12693.984 to, the Insurance Code, and to add Sections 14005.26 and 14093.06 to the Welfare and Institutions Code, relating to health coverage.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1163, as amended, Frommer. Medi-Cal program and Healthy Families Program: ~~seamless system~~ *bridge health insurance coverage*.

Existing law provides for the creation of various programs to provide health care services to persons who have limited incomes and meet various eligibility requirements. These programs include the Healthy Families Program, administered by the Managed Risk Medical Insurance Board, and the Medi-Cal program, administered by the State Department of Health Services.

This bill would require, *by October 1, 2004*, the board and the department, ~~to the extent federal financial participation is available, to establish designated policies and practices designed to coordinate programs between the Medi-Cal program and the Healthy Families Program to create a seamless system of coverage for insureds and beneficiaries in consultation with counties and consumer advocates, to~~

establish county bridge health insurance coverage options for eligible children leaving the Healthy Families Program or the Medi-Cal program and switching to county-sponsored health insurance programs. The bill would require that, by October 1, 2004, the board and the department synchronize the eligibility processes for both programs. The bill would require that, commencing January 1, 2004, the board and the department release an annual report regarding, among other things, the number of children participating in the bridge programs. The bill would require that the board develop a payment procedure whereby families experiencing temporary financial hardship may make payments to the program for delinquent family contributions.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 ~~SECTION 1. Section 12693.685 is added to the Insurance~~
- 2 SECTION 1. *The Legislature finds and declares all of the*
- 3 *following:*
- 4 (a) *Families need a stable source of health insurance coverage,*
- 5 *particularly for their children who require regular preventive care,*
- 6 *to grow up healthy and strong.*
- 7 (b) *Many families and children enrolled in the Healthy*
- 8 *Families Program and the Medi-Cal program are unnecessarily*
- 9 *losing their health insurance coverage.*
- 10 (c) *About 36 percent of children in the Medi-Cal program and*
- 11 *40 percent of children in the Healthy Families Program lose their*
- 12 *health insurance coverage within a year after enrolling in the*
- 13 *programs.*
- 14 (d) *It is cost-effective and better for the health development of*
- 15 *children and families to maintain continuous health insurance*
- 16 *coverage rather than allowing children and families to join the*
- 17 *ranks of the uninsured.*
- 18 (e) *Difficulties with programmatic rules and practices are the*
- 19 *primary reasons eligible children and families lose their health*
- 20 *insurance coverage under the Healthy Families and Medi-Cal*
- 21 *programs.*
- 22 SEC. 2. *Section 12693.455 is added to the Insurance Code to*
- 23 *read:*

1 12693.455. (a) Notwithstanding Section 12693.45, the board
2 shall develop a procedure under which a family may negotiate a
3 payment plan for delinquent family contributions during periods
4 of temporary financial hardship.

5 (b) If payments of the delinquent family contributions are made
6 as scheduled pursuant to procedures established in subdivision
7 (a), the delinquent family contributions may not result in
8 disenrollment from the program.

9 SEC. 3. Section 12693.686 is added to the Insurance Code, to
10 read:

11 12693.686. (a) By October 1, 2004, the board and the State
12 Department of Health Services, in consultation with counties,
13 consumer advocates, and other stakeholders, shall develop and
14 implement a county bridge health insurance coverage option to
15 provide health insurance benefits to children leaving the Healthy
16 Families or Medi-Cal programs and switching to a
17 county-sponsored health insurance program under criteria set
18 forth under subdivision (b).

19 (b) The county bridge health insurance coverage option shall
20 include, but is not limited to, the following requirements:

21 (1) The board shall, at a county's option, enroll in county
22 bridge health insurance coverage a child who is determined
23 ineligible for the Healthy Families Program but is screened as
24 eligible for a county-sponsored health insurance program that
25 meets the standards of comprehensive health benefits pursuant to
26 Section 19693.60. The county bridge health insurance coverage
27 shall be terminated when the county-sponsored health insurance
28 program either enrolls the child in the county-sponsored health
29 insurance program or determines the child is ineligible for the
30 county-sponsored health insurance program.

31 (2) The department shall, at the county's option, enroll in
32 county bridge health insurance coverage a child who is
33 determined ineligible for the Medi-Cal program and who would
34 otherwise be terminated from the program but is screened as
35 eligible for a county-sponsored health insurance program that
36 meets the standards of comprehensive health benefits pursuant to
37 Section 19693.60. The county bridge health insurance coverage
38 shall be terminated when the county-sponsored health insurance
39 program either enrolls the child in the county-sponsored health

1 insurance program or determines the child is ineligible for the
2 county-sponsored health insurance program.

3 (3) The board and the department shall enter into a
4 memorandum of understanding with the electing county, which
5 shall include, but not be limited to, a process for screening for
6 county bridge health insurance eligibility and for transferring
7 information to the county bridge health insurance program, the
8 type of coverage provided under the county bridge health
9 insurance program (such as Healthy Families, Medi-Cal or
10 accelerated enrollment into the county-sponsored health
11 insurance program), and for confidentiality protection.

12 (4) In order to participate in the county bridge health insurance
13 program, a family shall consent to have their child covered under
14 the county bridge health insurance program and agree to share
15 eligibility information with the county-sponsored health insurance
16 program.

17 (c) A county electing to use the county bridge health insurance
18 coverage option established pursuant to this section shall provide
19 intergovernmental transfers as the nonfederal matching fund for
20 federal financial participation through the State Children's Health
21 Insurance Program for the cost of benefits provided under the
22 county bridge health insurance coverage option.

23 SEC. 4. Section 12693.741 is added to the Insurance Code, to
24 read:

25 12693.741. (a) In filing for an annual eligibility review, a
26 signed certification as to the value or amount of income shall be
27 deemed to constitute verification.

28 (b) Commencing January 1, 2005, the board may, in
29 consultation with consumer advocates and other stakeholders,
30 conduct and annually report on posteligibility reenrollment
31 random sample case file reviews to determine the validity of
32 eligibility determinations pursuant to this section based on income
33 verification systems using information available to the state.

34 SEC. 5. Section 12693.742 is added the Insurance Code, to
35 read:

36 12693.742. (a) By October 1, 2004, the board and the State
37 Department of Health Services, in consultation with counties,
38 consumer advocates, and other stakeholders, shall develop and
39 implement a statewide synchronization of the Healthy Families
40 Program and the Medi-Cal program eligibility processes,

1 *including, but not limited to, aligning the Medi-Cal annual*
2 *redetermination date with the Healthy Families Program for*
3 *families with members participating in both programs.*

4 *SEC. 6. Section 12693.98 of the Insurance Code is amended*
5 *to read:*

6 12693.98. (a) (1) The Medi-Cal-to-Healthy Families
7 Bridge Benefits Program is hereby established to provide any child
8 who meets the criteria set forth in subdivision (b) with a ~~two~~
9 ~~calendar-month~~ period of health care benefits in order to provide
10 ~~the child with an opportunity to apply time for the a Healthy~~
11 ~~Families Program established under Chapter 16 (commencing~~
12 ~~with Section 12693) eligibility determination to be made.~~

13 (2) The Medi-Cal-to-Healthy Families Bridge Benefits
14 Program shall be administered by the board.

15 (b) (1) Any child who meets all of the following requirements
16 shall be eligible for two calendar months of Healthy Families
17 benefits funded by Title XXI of the Social Security Act, known as
18 the State Children's Health Insurance Program:

19 (A) He or she has been receiving, but is no longer eligible for,
20 full-scope Medi-Cal benefits without a share of cost.

21 (B) He or she is eligible for full-scope Medi-Cal benefits with
22 a share of cost.

23 (C) He or she is under 19 years of age at the time he or she is
24 no longer eligible for full-scope Medi-Cal benefits without a share
25 of cost.

26 (D) He or she has family income at or below 200 percent of the
27 federal poverty level.

28 (E) He or she is not otherwise excluded under the definition of
29 targeted low-income child under subsections (b)(1)(B)(ii),
30 (b)(1)(C), and (b)(2) of Section 2110 of the Social Security Act (42
31 U.S.C. Secs. 1397jj(b)(1)(B)(ii), 1397jj(b)(1)(C), and
32 1397jj(b)(2)).

33 (2) ~~The two calendar months of~~ benefits under this chapter
34 shall begin on the first day of the month following the last day of
35 the receipt of benefits without a share of cost.

36 (c) The income methodology for determining a child's family
37 income, as required by paragraph (1) of subdivision (b) shall be the
38 same methodology used in determining a child's eligibility for the
39 full scope of Medi-Cal benefits.

1 (d) ~~The two-calendar-month~~ period of Healthy Families
2 benefits provided under this chapter shall be identical to the scope
3 of benefits that the child was receiving under the Medi-Cal
4 program without a share of cost.

5 (e) ~~The two-calendar-month~~ period of Healthy Families
6 benefits provided under this chapter shall only be made available
7 through a Medi-Cal provider or under a Medi-Cal managed care
8 arrangement or contract.

9 (f) ~~Nothing in this section shall be construed to provide Healthy~~
10 ~~Families benefits for more than a two-calendar-month period~~
11 ~~under any circumstances, including the failure to apply for benefits~~
12 ~~under the Healthy Families Program or the failure to be made~~
13 ~~aware of the availability of the Healthy Families Program, unless~~
14 ~~the circumstances described in subdivision (b) reoccur.~~

15 (g) (1) This section shall become operative on the first day of
16 the second month following the effective date of this section,
17 subject to paragraph (2).

18 (2) Under no circumstances shall this section become operative
19 until, and shall be implemented only to the extent that, all
20 necessary federal approvals, including approval of any
21 amendments to the State Child Health Plan have been sought and
22 obtained and federal financial participation under the federal State
23 Children's Health Insurance Program, as set forth in Title XXI of
24 the Social Security Act, has been approved.

25 (h)
26 (g) This section shall become inoperative if an unappealable
27 court decision or judgment determines that any of the following
28 apply:

29 (1) The provisions of this section are unconstitutional under the
30 United States Constitution or the California Constitution.

31 (2) The provisions of this section do not comply with the State
32 Children's Health Insurance Program, as set forth in Title XXI of
33 the Social Security Act.

34 (3) The provisions of this section require that the health care
35 benefits provided pursuant to this section are required to be
36 furnished for more than two-calendar-months.

37 (i)
38 (h) If the State Child Health Insurance Program waiver
39 described in Section 12693.755 is approved, and at the time the
40 waiver is implemented, the benefits described in this section shall

also be available to persons who meet the eligibility requirements of the program and are parents of, or, as defined by the board, adults responsible for, children enrolled to receive coverage under this part or enrolled to receive full scope Medi-Cal services with no share of cost.

SEC. 7. Section 12693.981 of the Insurance Code is amended to read:

12693.981. (a) (1) The Healthy Families-to-Medi-Cal Bridge Benefits Program is hereby established to provide any person enrolled for coverage under this part who meets the criteria set forth in subdivision (b) with a ~~two-calendar-month~~ period of health care benefits in order to provide ~~the person with an opportunity to apply time~~ for a Medi-Cal *eligibility determination to be made.*

(2) The Healthy Families-to-Medi-Cal Bridge Benefits Program shall be administered by the board.

(b) (1) Any person who meets all of the following requirements shall be eligible for ~~two additional calendar months~~ of Healthy Families benefits:

(A) He or she has been receiving, but is no longer eligible for, benefits under the program.

(B) He or she appears to be income eligible for full-scope Medi-Cal benefits without a share of cost.

(2) The ~~two additional calendar months~~ of benefits under this chapter shall begin on the first day of the month following the last day of the person's eligibility for benefits under the program.

(c) The ~~two-calendar-month~~ period of Healthy Families benefits provided under this chapter shall be identical to the scope of benefits that the person was receiving under the program.

(d) ~~Nothing in this section shall be construed to provide Healthy Families benefits for more than a two-calendar-month period under any circumstances, including the failure to apply for benefits under the Medi-Cal program or the failure to be made aware of the availability of the Medi-Cal program unless the circumstances described in subdivision (b) reoccur. The board shall not impose premiums on persons receiving bridge benefits under this section.~~

(e) *The board shall forward eligibility information for persons described in subdivision (b) to the county Medi-Cal eligibility agencies for a Medi-Cal determination.*

(f) This section shall become inoperative if an unappealable court decision or judgment determines that any of the following apply:

(1) The provisions of this section are unconstitutional under the United States Constitution or the California Constitution.

(2) The provisions of this section do not comply with the State Children's Health Insurance Program, as set forth in Title XXI of the federal Social Security Act.

(3) The provisions of this section require that the health care benefits provided pursuant to this section are required to be furnished for more than two calendar months.

SEC. 8. Section 12693.983 is added to the Insurance Code, to read:

12693.983. Commencing January 1, 2004, the board and the State Department of Health Services shall release an annual report on the number of children participating in the Healthy Families-to-Medi-Cal Bridge Benefits Program, the Medi-Cal-to-Healthy-Families Bride Benefits Program, and the county bridge health insurance coverage option program. This report shall also include the health insurance coverage status of the children after leaving the bridge programs and a family exit survey when children who are not enrolled in the Healthy Families Program, the Medi-Cal program, or county-sponsored health insurance program after leaving the bridge benefits programs or the county bridge health insurance coverage option program.

SEC. 9. Section 12693.984 is added to the Insurance Code, to read:

12693.984. By October 1, 2004, the board and the State Department of Health Services, in consultation with the counties, consumer advocates, and other stakeholders, shall develop and implement a coordinated listing of Medi-Cal program health plans, county fee for service providers, and Healthy Families Program health plans. This coordinated listing shall include provider networks and a provider locator system to identify for families under each program which plans include their current or preferred providers. The coordinated listing shall be updated regularly and shall be available through the Healthy Families Program online provider locator and the Medi-Cal program Web site.

1 SEC. 10. Section 14005.26 is added to the Welfare and
2 Institutions Code, to read:

3 14005.26. (a) By October 1, 2004, the Managed Risk
4 Medical Insurance Board and the department, in consultation with
5 counties, consumer advocates, and other stakeholders, shall
6 develop and implement a statewide synchronization of the Healthy
7 Families Program and the Medi-Cal program eligibility
8 processes, including, but not limited to, aligning the Medi-Cal
9 annual redetermination date with the Healthy Families Program
10 for families with members participating in both programs.

11 SEC. 11. Section 14093.06 is added to the Welfare and
12 Institutions Code, to read:

13 14093.06. By October 1, 2004, the Managed Risk Medical
14 Insurance Board and the department, in consultation with the
15 counties, consumer advocates, and other stakeholders, shall
16 develop and implement a coordinated listing of Medi-Cal program
17 health plans, county fee for service providers, and Healthy
18 Families Program health plans. This coordinated listing shall
19 include provider networks and a provider locator system to identify
20 for families under each program which plans include their current
21 or preferred providers. The coordinated listing shall be updated
22 regularly and shall be available through the Healthy Families
23 Program online provider locator and the Medi-Cal program Web
24 site.

25 Code, to read:

26 ~~12693.685. To the extent that federal financial participation is~~
27 ~~available, the board shall establish policies and practices to~~
28 ~~coordinate programs with the Medi-Cal program in order to create~~
29 ~~a seamless system of coverage for insureds and beneficiaries.~~
30 ~~These policies and practices shall include, but not be limited to, all~~
31 ~~of the following:~~

32 ~~(a) Accelerated enrollment transfers between the Medi-Cal~~
33 ~~program and the Healthy Families Program.~~

34 ~~(b) Synchronized renewal of coverage under the Medi-Cal~~
35 ~~program and the Healthy Families Program for any family with~~
36 ~~members covered under both programs.~~

37 ~~(c) Use of a joint renewal form for the Medi-Cal program and~~
38 ~~the Healthy Families Program.~~

39 ~~(d) Coordination between the Medi-Cal program, the Healthy~~
40 ~~Families Program, and county initiatives.~~

- 1 ~~(e) Simplified renewals.~~
2 ~~(f) Payment leniency for periods of financial hardship.~~
3 ~~SEC. 2. Section 14005.22 is added to the Welfare and~~
4 ~~Institutions Code, to read:~~
5 ~~14005.22. To the extent that federal financial participation is~~
6 ~~available, the department shall establish policies and practices to~~
7 ~~coordinate programs with the Managed Risk Medical Insurance~~
8 ~~Board for purposes of the Healthy Families Program in order to~~
9 ~~create a seamless system of coverage for insureds and~~
10 ~~beneficiaries. These policies and practices shall include, but not be~~
11 ~~limited to, all of the following:~~
12 ~~(a) Accelerated enrollment transfers between the Medi-Cal~~
13 ~~program and the Healthy Families Program.~~
14 ~~(b) Synchronized renewal of coverage under the Medi-Cal~~
15 ~~program and the Healthy Families Program for any family~~
16 ~~members covered under both programs.~~
17 ~~(c) Use of a joint renewal form for the Medi-Cal program and~~
18 ~~the Healthy Families Program.~~
19 ~~(d) Coordination between the Medi-Cal program, the Healthy~~
20 ~~Families Program, and county initiatives.~~
21 ~~(e) Simplified renewals.~~

